

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

ChipBLASTER, INC., and
GREGORY S. ANTOUN,
Plaintiffs

v.

MIKE KENNEY TOOL, INC.,
d/b/a COOLJET SYSTEMS,
Defendant

CIVIL ACTION NO. 04-250 ERIE

DEFENDANT'S MOTION FOR PARTIAL SUMMARY JUDGMENT

Proceedings held before the HONORABLE
SEAN J. McLAUGHLIN, U.S. District Judge,
in Courtroom C, U.S. Courthouse, Erie,
Pennsylvania, on Thursday, June 30, 2005.

APPEARANCES:

STANLEY D. FERENCE, III, Esquire, appearing on behalf of the Plaintiffs.

FREDERIC G. ANTOUN, Esquire, appearing on behalf
of the Plaintiffs.

LELAND P. SCHERMER, Esquire, appearing on behalf
of the Defendant.

CRAIG A. GELFOUND, Esquire, appearing on behalf
of the Defendant.

Ronald J. Bench, RMR - Official Court Reporter

1 P R O C E E D I N G S

2
3 (Whereupon, the proceedings began at 10:05 a.m., on
4 Thursday, June 30, 2005, in Courtroom C.)

5
6 THE COURT: This is the time we've set for oral
7 argument on the motion for partial summary judgment filed on
8 behalf of the defendant. Who's going to be arguing on behalf
9 of the defendant this morning?

10 MR. GELFOUND: I will, your Honor, Craig Gelfound.

11 THE COURT: Do you want to come on up to the podium.
12 I've had an opportunity to read the briefs, I'm conversant with
13 the case law, I'm also conversant with the record. Fire away.

14 MR. GELFOUND: Thank you, your Honor. I think this
15 is a very straightforward and simple case, there's been a lot
16 said in the briefs. A lot of evidence has been introduced. I
17 think some of that tends to obscure some of the issues, I'd
18 like to break through that obscurity today and concentrate on
19 what the real issues are. And I think once we do so, summary
20 judgment may be in order.

21 CoolJet technology, just to give some background.
22 Very briefly, CoolJet produces a product, produces a coolant
23 delivery system for machine tool operations. They have a pump,
24 the pump delivers fluid from a reservoir to a tool. The pump
25 is driven by a motor. The speed of the motor determines the

1 pressure at which the coolant is delivered to the tool.

2 THE COURT: Can I interrupt you for a minute.

3 MR. GELFOUND: Please.

4 THE COURT: Let me see if I can start to clear out
5 some of the underbrush here, things that I may have thought
6 were in dispute but genuinely are not. In preparation for our
7 get-together today, I went back and reread our status
8 conference where I had asked for an overview. My first
9 question is this. The term computer is used in the claim. And
10 if I remember correctly, in your papers there was some attempt
11 to suggest that you don't really use a computer like a main
12 point. Is it fair to say when I peel, try to peel the apple
13 backward to get to the core, I see this case coming down to one
14 primary dispute. And that is whether or not you, your machine
15 adjusts the speed of the pump based upon both the pressure and
16 the size of the orifice. And the corollary to that is whether
17 or not your computer, I put quotes around computer, is
18 programmed in advance with information relative to the size of
19 the orifice. You say the critical difference between your
20 machine and their machine, such that your machine does not
21 literally infringe, is that you rely exclusively on the
22 pressure, quite independent of the orifice size. Where the
23 clear language of their claim requires their machine to
24 consider both. Now, do you view that as one of the central
25 issues of the case?

1 MR. GELFOUND: Yes, I do. I believe that is the
2 central issue that we present in our summary judgment motion
3 today.

4 THE COURT: All right. And before we talk a little
5 bit, I'm sure you'll talk a lot about why there is no material
6 issue of fact as to whether or not your patent infringes -- let
7 me see if I can find my note on this. It's your view, I take
8 it, and I'm on the claim construction end of things now, I'm
9 not on the infringement end, we're just looking at the claim,
10 you don't see anything ambiguous about the language to the
11 claim, do you?

12 MR. GELFOUND: I do not.

13 THE COURT: All right. Do I take it, then, that
14 seeing nothing ambiguous under Victronics and that line of
15 cases, it would be your view that all I need to do is
16 intrinsically look at the language of the claim, there's no
17 reason to go outside the claim and the real battle ground,
18 insofar as you are concerned, is whether or not your patent
19 infringes?

20 MR. GELFOUND: I would say that, I would say that's
21 true. I would qualify that to the extent there is an ambiguity
22 or some ambiguity is believed to exist, then we should look at
23 the specification to clarify that ambiguity.

24 THE COURT: Is there an ambiguity in your view?

25 MR. GELFOUND: In my view, no.

1 THE COURT: All right. Now, let me cut right to the
2 chase. And the chase, as far as I'm concerned, is Mr. Adelman.
3 Mr. Adelman -- let me see if I brought it out with me, filed an
4 affidavit. Well, it's the declaration of William Adelman. I'm
5 paraphrasing it now, it speaks for itself, and you spent a
6 considerable amount of time addressing it in your papers, by
7 way of attempting to disabuse me of a perceived notion that
8 that might have created a material issue of fact. Mr. Adelman
9 essentially says that -- the CoolJet system operates in such a
10 way that in part it is programmed with the area of the orifice.
11 He says that at several different paragraphs. In your papers
12 you acknowledge the fact that in a summary judgment setting
13 experts can weigh in with opinions, which under certain
14 circumstances can be sufficient to create an issue of fact or
15 perhaps resolve an issue of fact. But do I take it that your
16 major objection with Mr. Adelman, insofar as his ability to
17 create an issue of fact, is that you feel that his opinions are
18 unsubstantiated?

19 MR. GELFOUND: That's right, your Honor. I feel
20 that they're merely conclusory, they have no support. Their
21 opposition -- it's said in a lot of different ways. But what
22 they're saying, basically, is two propositions. One, that the
23 CoolJet system can maintain a constant pressure only over a
24 fixed or a finite range of flow areas or the tool. And,
25 second, that that range must be programmed into the system.

1 Now, with respect to the first proposition, I think I would
2 agree, I'll admit here in open court that the system can only
3 handle a finite range of orifices. What happens in the system,
4 as I was discussing previously and I'm sure you're aware of, is
5 as the pressure of the orifice starts to grow, assuming
6 everything in the system remains constant --

7 THE COURT: If the orifice grows, the pressure
8 drops?

9 MR. GELFOUND: The pressure drops, the motor speeds
10 up. At some point in time the motor is going get at its
11 maximum operating speed. You can't make the motor go any
12 faster. If the orifice size increases, the pressure drops
13 further, the feedback loop can't correct that. The orifice --
14 it's a limitation on the motor, and no amount of programming
15 will change that. No amount of programming can change the
16 speed of the motor. If you need to support a larger orifice
17 size, you need a higher performance motor. So you select your
18 motor, you select your pump to meet ultimately what you expect
19 to use on the machine. But there's absolutely no reason to
20 program that information into the system.

21 THE COURT: When you say that information, do you
22 mean orifice, the range of --

23 MR. GELFOUND: The range of the orifice size.

24 THE COURT: So I'm clear, I think I'm clear, the
25 reason you say there is no information, that there is no reason

1 to do that is because you contend in your feedback system you
2 get all the material information you need based upon pressure
3 alone?

4 MR. GELFOUND: That is correct. And if I might add,
5 just to go back to the claim construction. Even if, even if
6 the range was programmed into the system, which we conclude
7 it's not --

8 THE COURT: Do you mean the range of potential
9 orifice sizes?

10 MR. GELFOUND: That's correct, the range of
11 potential orifice size. It still wouldn't satisfy the
12 limitations of the claim. Because remember the claim requires
13 that the speed of the motor be determined by, one, coolant
14 pressure and, two, the flow area of the orifice. Let me just
15 give you an example. If the pressure was balanced with psi,
16 and the tool orifice size was two millimeters, two square
17 millimeters, and you programmed into the machine the range of
18 orifice size that can be handled. For example, say one to four
19 millimeters, in which the machine can maintain a constant
20 pressure. From that one to four millimeters, you still would
21 not have any information on the size of the orifice. You would
22 still not know whether it's a one, two, three or four
23 millimeter orifice size. Yet, you need that information in
24 combination with pressure to compute the speed of the motor,
25 that's a requirement of the claim.

1 THE COURT: All right. Go ahead. Tell me whatever
2 else you want to tell me?

3 MR. GELFOUND: Well, let's go back to the claim
4 interpretations, I think that's the central issue here. I
5 think if a claim interpretation is construed properly, then we
6 don't even have to consider ChipBLASTER'S brief. We just
7 talked a moment ago about the specific claim language, how the
8 speed of the motor is determined. But there's at least two --
9 well, there's actually three reasons why the claim
10 interpretation I'm proposing is the right interpretation. One,
11 it's consistent with the claim language. It's consistent with
12 other terms in the claim, it's consistent with --

13 THE COURT: Not to interrupt you, why, if the
14 language is clear, is it necessary to interpret anything, what
15 are we interpreting -- what are the terms of art that are
16 ambiguous, what are the technical terms -- what are the terms
17 that may have acquired meaning?

18 MR. GELFOUND: I don't think the terms do require
19 special meaning. Let me state what I think the issue is here.
20 We contend, again, to compute, to determine the speed of the
21 motor, you must use both the pressure and the flow area of the
22 orifice.

23 THE COURT: Under their claim?

24 MR. GELFOUND: Under the claim. The other side
25 urges a different interpretation. That all that is required is

1 that you determine the speed based on the pressure. According
2 to the other side, I believe, since orifice size may affect
3 pressure, that that information is not really required.

4 THE COURT: I'm speculating here and it's neither
5 here nor there, but does it strike you as a possibility that
6 perhaps that claim language was unartfully drafted?

7 MR. GELFOUND: I don't think that's true. Because,
8 again, to the extent it's ambiguous, because it was not
9 artfully drafted, then we can turn to the spec to see what
10 those claims really mean. What the inventor had intended. And
11 I think there are sufficient examples in the specification that
12 show that the speed -- the computer receives both. The
13 pressure and the flow, the flow area of the orifice size to
14 ultimately compute the speed. Can I go over one?

15 THE COURT: Sure.

16 MR. GELFOUND: In my reply brief and I think in my
17 moving papers, I referred to one section in the spec. And I'm
18 sure you read it. So I'm not going to repeat that one. But
19 flying here yesterday I came across, reading the spec again,
20 another section that I thought was very interesting, and that's
21 not in my brief, I thought it might be worth talking about it
22 this morning. And it really answers the question why. Why
23 would a feedback system want to know what the orifice size is,
24 isn't it enough to just have pressure, can you change the speed
25 of the pump based on pressure, using feedback to maintain it at

1 a constant pressure. What purpose does the orifice size serve.
2 And there's an interesting passage in the specification, I
3 think deals directly with that. I don't know if you have it in
4 front of you, it's column two, lines 35 to 42. Let me just
5 read it, it's rather short. "While the coolant supply system
6 is self-correcting, that is the speed of the motor can be
7 adjusted for pressure variations, by providing the computer
8 with each tool's coolant pressure requirements," and by the way
9 coolant pressure requirements are defined in the preceding
10 sentence as the flow area orifice. So let me read that again.
11 "By providing the computer with each tool's coolant pressure
12 requirements, the computer can anticipate pressure fluctuations
13 and react by adjusting the pump motor speed prior to the
14 fluctuations occurring." Now, what that means is that if you
15 have a two millimeter tool, and you swap out to a three
16 millimeter tool, instead of waiting for the pressure to drop
17 and the feedback loop to kick in to actually adjust the speed
18 of the motor, to maintain the pressure, if you know in advance
19 that you're going to change the tool from a two to a three
20 millimeter tool, you can send that information to the computer,
21 the computer then can compute the speed ahead of time based on
22 the desired pressure and that three millimeter tool orifice
23 size.

24 THE COURT: So, in other words, you're saying that
25 that prevents the slight delay that you might have, is that

1 what you're saying?

2 MR. GELFOUND: That's right. It's quicker. That is
3 simply one use of using data or information that actually tells
4 the computer what the flow area size is. Which I think is
5 undisputed that we don't have a signal that in fact contains
6 that information.

7 THE COURT: I'm not sure that is undisputed, but
8 we'll see. How do I, in trying to resolve this, of course, it
9 would inappropriate for me to resolve it if I find an issue of
10 material fact. You fundamentally and your experts
11 fundamentally disagree with Mr. Adelman's conclusion that your
12 system also requires the programming of orifice size as one of
13 the conditions of maintaining a variable flow; you
14 fundamentally disagree with Mr. Adelman's conclusion in that
15 regard, don't you?

16 MR. GELFOUND: That is correct, your Honor.

17 THE COURT: I'm not trying to be overly simplistic
18 here, but I don't like getting reversed at the circuit anymore
19 than anybody else, why isn't that the beginning and end right
20 there, why don't I have a material issue of fact on my plate,
21 if for no other reason because of Mr. Adelman?

22 MR. GELFOUND: I think there's a number of reasons,
23 in my opinion. I mean, let's start with the fact that it is
24 expert opinion and it appears to be expert, there is no
25 personal knowledge --

1 THE COURT: He's the chief engineer at ChipBLASTER,
2 he's an expert.

3 MR. GELFOUND: He's an expert. It's an opinion.
4 But he's provided no basis, no facts, no rationale, no
5 reasoning, why this information needs to be programmed into the
6 system. As I talked about earlier, there is going to be a
7 range of orifice that can be supported by constant pressure.
8 That is going to be based on the capability of the motor and
9 the capability of the pump. No amount of programming can
10 change that. So, it appears to me that they don't meet the
11 requirement of 56(e). Let me raise two other points with
12 respect to Mr. Adelman's testimony. Now, I want to refer back
13 to the specification, I think this is a good opportunity to do
14 so since this is not in our moving papers.

15 THE COURT: All right.

16 MR. GELFOUND: Again, I don't know if you have it in
17 front of you, I'll read it, this is column four actually.

18 THE COURT: Where does it appear in the record?

19 MR. GELFOUND: It appears in the record as a request
20 for judicial notice filed by plaintiffs in the patent.

21 THE COURT: I'm sorry?

22 MR. GELFOUND: It's in the patent -- which is
23 submitted pursuant to a request for judicial notice. This is
24 out of the spec. And, interestingly, it says "the inherit
25 characteristics of the fluid control unit are programmed into

1 the computer. The only critical relationship that the computer
2 needs to be programmed with," again, I'll repeat that, "the
3 only critical relationship that the computer needs to be
4 programmed with is the frequency required to drive the pump at
5 a speed that results in the desired coolant pressure." It says
6 nothing in here about the range of orifice size. Now, if you
7 go to the declaration, what Mr. Adelman says is that the range
8 of orifice size must, he uses the word must, be programmed into
9 the system in order for the system to operate properly.

10 THE COURT: That's pretty much what he says.

11 MR. GELFOUND: And there is no mention about that in
12 the spec, the spec goes out of its way to identify the only
13 critical element that's required. So I think that the patent
14 application is far more probative than the declaration. Let me
15 raise one more point that I think is very critical. Let's
16 assume, and we don't agree, but let's assume for sake of
17 argument that the range is programmed in the computer. Let's
18 assume the range that can be supported is one to four
19 millimeters. And according to Mr. Adelman, if we go into the
20 computer and we program one to four millimeters, now --

21 THE COURT: Those are the range of the drill tools
22 which might be used?

23 MR. GELFOUND: That's right, in which the system can
24 maintain a constant pressure.

25 THE COURT: All right.

1 MR. GELFOUND: Let's assume the pressure system is
2 1,000 psi. Let's assume that the tool orifices at the tool
3 that actually is being used has an orifice of two millimeters.
4 Now, the computer needs to determine the speed of the motor
5 based on both the pressure and the orifice size. The flow area
6 of the orifice size.

7 THE COURT: Hold your thought for one second, will
8 you. I'm sorry, go ahead. Start that all over again, will
9 you?

10 MR. GELFOUND: The scenario I'm laying out, we have
11 a system that can support tools within an orifice range of one
12 to four millimeters, which would be programmed into the
13 computer. We have a thousand psi in our system. We have a
14 tool with an orifice size that's actually being used of two
15 millimeters. The computer receives a signal from the
16 transducer saying it has a thousand psi. And it knows, because
17 it's programmed with this information, that the range is one to
18 four. But it still has no way to determine from that
19 information program that says the orifice range is one to four,
20 it has no way to determine what the actual orifice size is. It
21 doesn't know whether it's one, two, three or four. It needs to
22 have that information, it needs to compute the speed of the
23 motor based on a thousand psi and two millimeters. And it
24 can't obtain it from range of information. Even if the range
25 of information is programmed into the computer, it doesn't

1 matter, the product is still not covered by the claim.

2 THE COURT: Let me ask you this question. I'm going
3 to ask you to talk to me about their product and how you
4 understand their product actually works. Now, I know what
5 their claim says and I know what you say their claim says,
6 which is the speed of the pump is a product of two components;
7 a pressure reading and an orifice reading. Now, if you can't
8 do it, and if it makes no sense for you to do it, your point
9 being pressure is pressure, if you test the pressure that's all
10 you need to know, because the pressure is nothing more than a
11 byproduct of orifice size. If you can't do it, how can they do
12 it -- does it make any more sense for them to do it than for
13 you to try to do it?

14 MR. GELFOUND: Well, I just gave you an example in
15 the specification of one benefit of using the dimension of the
16 tool, and that was to increase the response time.

17 THE COURT: But you don't do that, do you?

18 MR. GELFOUND: We don't do that. We use the
19 fundamental feedback loop that has been used for years. That
20 has been used by Grundfos --

21 THE COURT: Do they do that?

22 MR. GELFOUND: I can't answer that, your Honor,
23 because I don't know --

24 THE COURT: You don't think they know what they're
25 doing. In your papers, it's not a pejorative, but I think you

1 indicate part of the problem is you are not convinced that the
2 plaintiff understands its own product or your product?

3 MR. GELFOUND: I'm not sure that was the point I was
4 trying to make, your Honor. I think that I took objection to
5 the fact that they were trying to compare their product with
6 our product, which I think is trying to taint us before the
7 court and it's immaterial to patent infringement. If their
8 design fits within the scope of their patent, fine. If they
9 redesigned it for any other reason, fine. All this comparison
10 stuff merely says that they decided, if in fact their machine
11 operates like ours, they decided to not use the technology
12 embodied in their patent, rather than go to a more commercially
13 viable approach.

14 THE COURT: This is purely a hypothetical. If it
15 were determined that as a matter of fact, engineering fact, I
16 guess, that your product, in order to perform its desired
17 function, required the programming of orifice size in a similar
18 fashion to what the plaintiffs' product does, would you concede
19 that there would be a potential problem with respect to literal
20 infringement?

21 MR. GELFOUND: I'm not sure I fully appreciate your
22 question, your Honor.

23 THE COURT: I can rephrase it, then I'll let you
24 talk, I apologize for interrupting you.

25 MR. GELFOUND: No problem.

1 THE COURT: If your premise is that you are entitled
2 to summary judgment because as a matter of fact your product is
3 materially different in that it does not require the
4 programming of orifice size, my question is, if it would come
5 to pass that a fact finder were to conclude that it does
6 require the programming of orifice size, would there be an
7 infringement problem?

8 MR. GELFOUND: I can't -- answer that one-hundred
9 percent, but I will concede this. That in the context of a
10 summary judgment, as presented to you here today, with regard
11 to the issues I raise, I would say if it is shown, yes. If it
12 were shown that the computer must be programmed with the actual
13 orifice size that's being used in the machine, which means that
14 it's dynamic, it's changing, so if you switch from two to
15 three, now we receive a signal from the tool or elsewhere --

16 THE COURT: Such that the computer or the mind of
17 the machine is actually sensitive to the switch of orifices?

18 MR. GELFOUND: Yes. And I must also add that it
19 must also, not just be programmed with that information, but it
20 must then use that information in combination with the pressure
21 to arrive at the speed of the motor.

22 THE COURT: Could it be that one of the reasons that
23 you might want a system which produced a motor speed based on a
24 combination of pressure and orifice readings, is that it
25 prevents any delay in the system when an orifice is changed?

1 MR. GELFOUND: Well, yes, your Honor, I just read a
2 passage of the specification that addressed that.

3 THE COURT: All right. Of course, in addition to
4 literal infringement there is the doctrine of equivalents. And
5 you spend sometime in your brief talking about the
6 inapplicability of that doctrine based I think in large measure
7 on your contentions relative to prior art, is that right?

8 MR. GELFOUND: That is correct, your Honor.

9 THE COURT: Tell me a little bit about that?

10 MR. GELFOUND: We contend and we've submitted
11 declarations to evidence that our system is very much like the
12 Grundfos system that existed prior to the Antoun patent. When
13 I say very much like the Grundgos system, I mean very much in
14 the context of the claim --

15 THE COURT: That was a closed-loop feedback system
16 based on pressure?

17 MR. GELFOUND: That's right. They have a pump, the
18 motor, the speed of the motor is controlled by the feedback
19 loop.

20 THE COURT: That was 1995 or something?

21 MR. GELFOUND: That is correct.

22 THE COURT: So did you knock off their system?

23 MR. GELFOUND: No, we did not. But we looked at
24 their system. By the way, they didn't patent their system, so
25 it is in the public domain. Had they had a patent, we would

1 have never had knocked off anything, I assure you, your Honor.

2 THE COURT: I take you at your word. In any event,
3 your point is it was out there in the public domain?

4 MR. GELFOUND: It was out there in the public domain
5 exactly what we were doing. Now, ChipBLASTER contends that the
6 pumps are different. And I might be getting this mixed up,
7 either we or, I'm sorry, either the patent or the Grundfos
8 system, I think it's the Grundfos system, required an impeller
9 pump. Which is different than the pump that ChipBLASTER uses
10 and discloses in its specification. But the claims are not
11 limited to that type of pump.

12 THE COURT: What was the name of your initial
13 product, I can't remember it?

14 MR. GELFOUND: The prototype?

15 THE COURT: The one you had to punch in and it
16 didn't sell very well?

17 MR. GELFOUND: That was the AutoSep, your Honor.

18 THE COURT: And that was a product that actually the
19 mind or the controller, if you will, of that was the operator,
20 right?

21 MR. GELFOUND: I don't agree, that is a
22 characterization that was made by ChipBLASTER. The dial on the
23 front was used to set the pressure, as opposed to punching it
24 in or programming it in. But once you set the pressure on the
25 dial, whether it's 900, 1,000, 1,100 psi, the feedback loop

1 would still control. In other words, the transducer would
2 monitor the pressure in the system and provide feedback to
3 control the motor speed to maintain a constant pressure.

4 THE COURT: All right. Just by way of background,
5 it is not germane, but it's more informational, you two folks
6 aren't the only outfits who make these variable pressure
7 machines, are you or are you?

8 MR. GELFOUND: To the best of my knowledge, no.
9 I think there may be others, I can't say for certain.

10 THE COURT: All right, I see plaintiffs' counsel
11 shaking his head, we'll hear from him presently. Is there
12 anything else you want to tell me before I hear from them, then
13 I'll let you reply when they're done?

14 MR. GELFOUND: Yes, I think we touched upon just
15 about everything. I will say that I did submit, as you recall
16 in my reply brief, this lengthy manual. A number of chapters
17 out of the Toshiba instruction manual. And I apologize, your
18 Honor, I thought long and hard before doing this. There is a
19 lot of information, I hate to clutter your desk, but I thought
20 it was important. Because all the programming that occurs is
21 in the VFD, the variable frequency drive. And this manual
22 talks about every single parameter and describes the function
23 of every single parameter. So if you looked at this and read
24 through this, you would find that not a single parameter has
25 anything to do with the orifice size, the flow area of the

1 orifice. It deals with increasing or optimizing the response
2 time of the motor. I think that this alone is proof positive
3 that there is no programming of information with regard to the
4 range of orifice sizes used in the system. But I would further
5 say that even if the range is programmed, there's still no
6 infringement because there's no way to determine what the
7 actual orifice size of the tool is, which is required in
8 combination with the pressure to determine the speed of the
9 motor.

10 THE COURT: All right, thank you, Mr. Gelfound.

11 MR. GELFOUND: Thank you, your Honor.

12 THE COURT: Who is going to be arguing for the
13 plaintiffs?

14 MR. FERENCE: Your Honor, Stanley Ference for the
15 plaintiffs.

16 THE COURT: All right.

17 MR. FERENCE: Your Honor, this is a summary judgment
18 motion for non-infringement brought by CoolJet. As such, they
19 have the burden of proof here. Mr. Gelfound makes the argument
20 in his papers that somehow ChipBLASTER has failed to prove
21 infringement. That's not our burden. Our burden -- what Mr.
22 Gelfound's burden is, is to show that there is no disputed
23 issue of material fact. We submit that, we have submitted
24 evidence that shows there is a disputed issue of material fact.

25 THE COURT: What do you believe to be the critical

1 disputed issue of material fact or facts in this case, then
2 we'll work backward from there?

3 MR. FERENCE: Your Honor, as it's teed up in the
4 papers and as you brought to Mr. Gelfound's attention, it's
5 whether or not the CoolJet equipment is programmed with data
6 related to the flow area of the orifice means. Mr. Gelfound is
7 talking about the flow area itself. The claim language,
8 however, requires data related to the flow area of the orifice
9 means.

10 THE COURT: All right. Now, this will be helpful
11 for me before we begin our discussion. Give me, by way of a
12 quick refresher course, a brief description as to precisely how
13 your machine works?

14 MR. FERENCE: What our machine does is it maintains
15 a constant volume of coolant through a cutting tool, and a
16 cutting tool as the flow area. It's a drill bit with a
17 cylinder down the center, the coolant is pumped through.

18 THE COURT: It's not unusual, is it, that during the
19 course of a working day that the drill bit or tool end will be
20 changed many times?

21 MR. FERENCE: That's correct. This is all
22 automated. The machine in the shop is typically a
23 self-contained unit, it's run by a computer, and there's no
24 human intervention.

25 THE COURT: All right.

1 MR. FERENCE: When the tool is changed, you want to
2 maintain a constant volume. The volume is programmed at some
3 point into the machine, and you go from there. When the tool
4 bit is changed, there is a pressure change. There's a
5 transducer that controls the speed of the motor. Now, the
6 motor itself, the drive is programmed prior to operation. As
7 pointed out, the dispute here is essentially how the machines
8 operate. If we look at what is in the record for the evidence
9 to this, the only evidence that CoolJet has submitted with
10 respect to the operation of its machines is contained in the
11 declaration of Mike Kenney. In particular, two paragraphs.
12 Paragraph six says, "CoolJet's variable speed pumping system
13 does not have a computer between the transducer and the
14 variable frequency drive. Instead, the pressure signal from
15 the transducer is fed directly to the variable frequency
16 drive." Paragraph seven says, "CoolJet's variable speed
17 pumping system does not program a computer with any data
18 related to the flow area of the orifice. Nor does it use this
19 information to determine the speed of the pump motor. In the
20 CoolJet's variable speed pumping system, the speed of the pump
21 motor is determined solely by the coolant pressure." That is
22 the only evidence before the court that CoolJet has submitted
23 on the operation of its equipment.

24 THE COURT: That's what he says. What does Mr.
25 Adelman say on the point?

1 MR. FERENCE: Well, we submitted three declarations.
2 Mr. Adelman talks about the operation of the CoolJet equipment,
3 so does Mr. Antoun's declaration. Mr. Antoun talks about the
4 operation based on some of the publicly available information.
5 He talks about how the CoolJet equipment is programmed with
6 data related to the flow area, the area of the orifice. Mr.
7 Adelman talks about that. And Mr. Adelman goes a step further
8 and uses information that is available on CoolJet's Web site to
9 actually calculate the range of the flow area that the CoolJet
10 equipment is programmed to operate at. Then we also submitted
11 Mr. Hapeman's declaration. Mr. Hapeman is a technical expert
12 that actually reviewed the CoolJet equipment. And goes into
13 some detail as to how they go about programming it. So we have
14 Mr. Antoun talking about how generally this type of equipment
15 needs to be programmed with data relating to the area of the
16 flow orifice. We have Mr. Adelman who actually goes through
17 and calculates the range of the flow area that the CoolJet
18 equipment is programmed to operate in. And then we have Mr.
19 Hapeman who talks about exactly how CoolJet is programming
20 their drive.

21 THE COURT: Let me ask you this. Would it be
22 accurate to say on a given day with respect to a given machine,
23 you would know in advance or the programmer would know in
24 advance that -- the pressure will be running between 100 psi
25 and 1,000 psi, depending upon the nature of the job, fair

1 enough -- there's a range within which it will vary during the
2 course of a workday. Now --

3 MR. FERENCE: Correct. And in the deposition
4 testimony of CoolJet, it was discovered that the CoolJet
5 equipment will not operate until it is programmed. And then
6 once it is programmed, it is tested to insure that it does
7 operate over the intended range.

8 THE COURT: Now, I might be oversimplifying this,
9 but I gather that what CoolJet is saying is this. That they
10 have a system which is sensitive to picking up and is
11 programmed to pick up variations in pressure. And when the
12 system picks up a variation in pressure, then it either speeds
13 up or it slows down the pump?

14 MR. FERENCE: Yes.

15 THE COURT: And I might be oversimplifying this, but
16 their point is why for heaven sakes do we have to worry about
17 the size of the orifice if the amount of pressure that is
18 ultimately being produced at any given point in time is simply
19 a function of the size of the orifice. So if we're skinning
20 the cat on the pressure end, why do we have to skin the cat
21 twice and also crank in what the orifice is; do you follow my
22 point?

23 MR. FERENCE: Well, there's several reasons, your
24 Honor. One of which is the equipment is expensive and you want
25 to maintain the life of the equipment. You don't want to burn

1 the motor up.

2 THE COURT: All right.

3 MR. FERENC: So there has to be some programming,
4 because if the orifice size just increases and increases and
5 increases in order to try and maintain that pressure, the motor
6 is going to go, go and go until it burns out. So there has to
7 be some programming as to the low and high operating speeds of
8 the motor, which is based on the orifice, most other things is
9 based on the orifice size. And the pressure itself is also
10 based on the orifice size. The only thing that changed in the
11 operation of one of these machines is the size of the orifice.

12 THE COURT: So the pressure can't be based on
13 anything other than the orifice size, can it?

14 MR. FERENC: That's correct?

15 THE COURT: Okay. So, if you have a system that is
16 sensitive to changes in pressure, you really have a system
17 which is at least indirectly sensitive to changes in orifice
18 size, right?

19 MR. FERENC: Correct. I mean, there are some
20 statements in the reply brief from CoolJet along those lines,
21 that seem to -- our questionable. One of which appears on page
22 five. "Even if the orifice diameter range was programmed into
23 the variable frequency drive, the accused products would still
24 not infringe because that data provides no information
25 whatsoever about the flow area of the tool orifice." Area is a

1 mathematical formula based on the radius, which is one-half of
2 the diameter.

3 THE COURT: Here's the heart of it. Does your
4 system, in order for it to function the way it's designed, is
5 it necessary that in advance of a run, if you will, you program
6 information via your computer as to -- actually, I should say
7 you program your computer with information related to the area
8 of flow of the orifice like your claim says?

9 MR. FERENCE: Both systems do, your Honor.

10 THE COURT: All right. But yours -- I want to get
11 this clear. The type of information that you would input into
12 your computer, related to the area, related with data related
13 to the flow area of the orifice, what type of information would
14 that be, tell me again -- what does the computer want to know
15 and what do you want to put in it relative to the flow area of
16 the orifice?

17 MR. FERENCE: What you're doing is you're
18 programming the computer, the computer's control algorithm, and
19 this is all set forth in Mr. Hapeman's declaration. It's a
20 proportional-integral-derivative controller. And various
21 parameters for the drive are programmed in. As we set forth in
22 our papers, CoolJet modifies the factory default parameters.
23 When they were asked what those parameters represented or how
24 the parameters that they programmed in were obtained, they
25 didn't know. Okay, Mr. Whitaker didn't know what those

1 parameters represented, he didn't know how they were obtained.
2 Mr. Kenney also didn't know. The people at CoolJet don't know
3 or were not able to tell us what those parameters represented
4 or how those parameters were derived.

5 THE COURT: When your system is programmed with data
6 relative to the flow area of the orifices, does that mean that
7 it has (a), a memory, if you will, of the range of potential
8 orifices that may be used on a given day?

9 MR. FERENCE: Yes.

10 THE COURT: Number one. But, number two, and
11 critically, does it not only have a memory as to the range of
12 potential orifices, but does it have a memory such that it can
13 instantaneously react and perceive when a new orifice is put on
14 and then make an adjustment?

15 MR. FERENCE: If I understand the question
16 correctly, what happens is when the new orifice is put on,
17 there's an adjustment made to the speed of the motor such that
18 the pressure is maintained.

19 THE COURT: All right.

20 MR. FERENCE: The goal here is to maintain a
21 constant volume.

22 THE COURT: All right. But there also is a
23 component of your system that is constantly monitoring the
24 pressure itself, is that right?

25 MR. FERENCE: Yes. As there is in both systems.

1 THE COURT: So, would this be fair to say, maybe I
2 said it before, if I have, forgive the repetition. The reason
3 you designed a system that is both orifice sensitive and
4 pressure sensitive is that with respect to the orifice
5 sensitive aspect of it, it permits an instantaneous reaction to
6 a change in orifice size, such that you never lose any
7 pressure, is that right, essentially?

8 MR. FERENCE: I think your question is based on --

9 THE COURT: My question is just my question, do you
10 agree with it? If you don't I'll have it read back, I don't
11 think I could ask it again, I asked it the way I wanted to.

12 MR. FERENCE: Why don't we have the court reporter
13 read it back.

14 THE COURT: All right.

15 (Court Reporter reads back Court's question.)

16 MR. FERENCE: Your Honor, it's the transducer, the
17 pressure sensor that automatically kicks in and makes sure that
18 a constant volume is maintained.

19 THE COURT: All right.

20 MR. FERENCE: Now, as I started to say, Mr. Gelfound
21 was reading from the spec and, quite frankly, in my view what
22 he's trying to do is import limitations from the spec into the
23 claims. The spec talks about the preferred embodiments at the
24 time the application was filed. They're not to be used to
25 limit the scope of the claims. The claims talk -- state what

1 the claims state about, and the limitations of the claims are
2 met by both systems. Both by the ChipBLASTER system and also
3 by the CoolJet system. Now, at the end of Mr. Gelfound's
4 argument you were asking about are there other people out there
5 manufacturing these systems. The answer to that is no.
6 ChipBLASTER, whenever ChipBLASTER is aware of somebody else
7 manufacturing its system, they write to them, bring the patent
8 to their attention, and everybody but CoolJet has stopped
9 manufacturing the system. So at this point in time CoolJet and
10 ChipBLASTER are the only two parties that we're aware of
11 manufacturing this patented system.

12 THE COURT: All right. Now, I think I understand
13 how you program your computer with information relative to the
14 orifices based upon our discussion. Now, it's your contention,
15 notwithstanding the defendant's position to the contrary, that
16 as a matter of fact, as a matter of engineering fact, if you
17 will, the defendant does the same thing, correct?

18 MR. FERENCE: Correct.

19 THE COURT: It is your contention that in all
20 material respects the programming that you do, insofar as it
21 relates to orifice size, per your claim language, is precisely
22 the same programming that they do relative to orifice size?

23 MR. FERENCE: Yes.

24 THE COURT: Okay.

25 MR. FERENCE: The equipment is the same footprint.

1 At one point the equipment was the same color scheme. It
2 operates in substantially the same way, as set forth in Mr.
3 Adelman's declaration. The components are virtually identical.

4 THE COURT: Could you have a system, could you have
5 a system, a variable flow system, which would work perfectly
6 well which was only sensitive -- whose computer never knew a
7 thing about the potential range of orifices that might be used
8 during a given workday and all that the feedback system was
9 designed to be was sensitive at any given time to whatever the
10 pressure in the line happened to be; could you have a system
11 that could appropriately adjust the flow that was completely
12 ignorant, from a computer brain standpoint, as to what the
13 actual orifice size was at any given time?

14 MR. FERENCE: It's my understanding that you could
15 not. As was said in the depositions, the CoolJet equipment
16 will not operate without programming. And it's my
17 understanding that there has to be programming data related to
18 orifice size in order for this equipment to operate.

19 THE COURT: Are you splitting a fine hair when you
20 say the data program related to orifice size, are you using
21 that in the same sense as data programmed relative to range of
22 pressure to the extent that pressure is a function of orifice
23 size -- or are you talking about actual orifice size, actually
24 you program orifice size, don't you?

25 MR. FERENCE: In the commercial embodiment we

1 program data related to orifice size just as CoolJet does. As
2 I said, the patent was filed in '97, and the spec reflects at
3 that point in time what was the preferred embodiment. Both
4 machines operate the same way. And both machines use a
5 variable frequency drive. Which in order to operate, has to be
6 programmed with data related to the orifice size in order to
7 operate. Once the initial programming is completed and then
8 the system operates, you have a transducer which provides a
9 feedback control that gives -- also provides information
10 related to the orifice size.

11 THE COURT: Knowing as much as you do about their
12 product, perhaps, in part by virtue of this litigation, are
13 there any improvements -- let me put it this way. Does your
14 product partake of any qualities that in your view make it more
15 efficient than theirs or, otherwise stated, is their product
16 lacking in any qualities that make it more deficient than
17 yours?

18 MR. FERENCE: Their product is a functional
19 duplicate of our product. One of the things that came out at
20 the deposition -- when you talk about the AutoSep device,
21 that's what CoolJet was showing in 1998 at the ITMS show. It
22 came back and a development effort on the current product was
23 led by the sales manager, who was at the ITMS show.
24 Essentially, the sales manager said I need one of these pieces
25 of equipment.

1 THE COURT: If, as a matter of fact -- as a matter
2 of fact, this is the flip side of the same question I asked Mr.
3 Gelfound, if as a matter of fact the CoolJet system functions
4 completely independent of having programmed any information
5 relative to orifice size, it becomes problematic for your
6 position, doesn't it?

7 MR. FERENCE: It does. However, we believe that the
8 CoolJet equipment does not operate in that manner.

9 THE COURT: In answering the question that way, you
10 would you agree with me, as I think Mr. Gelfound does, that
11 that issue, in the universe of potential material issues, is
12 perhaps the most material?

13 MR. FERENCE: Yes, your Honor. And I come back to
14 the evidence that is before the court, you need to make that
15 determination based on an understanding of the operation of the
16 CoolJet equipment. The only evidence that CoolJet has
17 submitted on the operation of its equipment are the two
18 paragraphs in the declaration of Mike Kenney. We've submitted
19 declarations of Greg Antoun, saying that the CoolJet equipment
20 is programmed, that all the equipment to operate in this manner
21 has been programmed. We submitted the declaration of Bill
22 Adelman saying the same thing and going further, calculating
23 the range of orifice sizes for which the CoolJet equipment is
24 programmed to operate. And we submitted the declaration of
25 Bryan Hapeman, who reviewed the CoolJet equipment and comes to

1 the same conclusion. If we look at the Hapeman declaration,
2 the Hapeman declaration says, in paragraph eight, "both systems
3 regulate coolant volume with changes in the flow area of the
4 orifices with the control systems' desire to maintain a
5 particular pressure. The systems are also physically
6 restricted from too high a pressure and by a mechanical relief
7 value and from delivering too high a coolant volume by drive
8 programming that restricts pump speed for those large area
9 orifices that do not offer enough of a pressure restriction."
10 And Mr. Hapeman's declaration --

11 THE COURT: As I read that, that doesn't say
12 anything about programming -- he's not, whatever Mr. Adelman
13 may say, unless I'm reading it wrong, that's just another way
14 of saying that pressure is a function of orifice size. Does he
15 say anything in that paragraph which supports the proposition
16 that as a preliminary matter the defendant programs information
17 relative to orifice size?

18 MR. FERENC: The last sentence of paragraph eight
19 talks about restricting the pressure based on drive
20 programming. And what he's talking about there is setting an
21 upper limit on the pressure by programming the drive.

22 THE COURT: I think the defendant would concede that
23 they do that -- I think they would concede that they program a
24 range of pressures -- is that right, you concede that?

25 MR. GELFOUND: We concede that we program the

1 variable frequency drive to increase the response time of the
2 motor for optimized motor performance.

3 THE COURT: I'm not sure that's in dispute. I think
4 what's in dispute is whether or not they program orifice size.
5 See, what both bothers me, I have no fixed opinion on this, but
6 this is why this argument is helpful. I want to make sure that
7 you aren't trying -- you know the phrase too cute by half.
8 You're not saying, it's not your position that they program
9 orifice size simply because they program to be sensitive to
10 pressure, and pressure is a function of orifice size, that's
11 not your point, is it, because if it is, I need to know it?

12 MR. FERENC: They don't do that when they initially
13 program the drive. The drive is programmed initially to get
14 the drive to function. And then during the operation of the
15 drive, it is also programmed through the feedback loop.

16 THE COURT: Those are two different things. But to
17 be clear, it's your position, although, you'd have to agree
18 with that, that pressure is a function of orifice size?

19 MR. FERENC: Very much so.

20 THE COURT: If that's all they did, we wouldn't be
21 here, is that right -- do you understand my point; in other
22 words, they concede that their feedback system is pressure
23 sensitive. But they say their feedback system is, that's the
24 reason their product works and the reason that it is capable of
25 maintaining a variable flow is based on pressure sensitivity

1 only. Now, clearly, pressure is a derivative of orifice size?

2 MR. FERENCE: I don't think they agreed that
3 pressure is a derivative of orifice size, though.

4 THE COURT: Do you disagree with that?

5 MR. GELFOUND: I would agree that -- I would agree
6 that pressure is a function of orifice size. But I would like
7 to add that pressure can change based on a number of other
8 things.

9 THE COURT: Well, I know it can.

10 MR. GELFOUND: Then yes.

11 THE COURT: I mean as a matter of physics, primarily
12 that is what changes the pressure, the orifice size. You can
13 have a leak in the pipe, you can have something else, but the
14 primary moving force for variable pressure --

15 MR. GELFOUND: I would also say that you need to
16 consider the tool length, and length of the tool chain, that
17 could have an impact. The tool holder, the plumbing, the
18 viscosity. I would absolutely agree that the orifice size does
19 influence pressure, of course.

20 THE COURT: All right. I'll take that as a yes for
21 purposes of our discussion, that he generally agrees with what
22 I was just saying. But, to be clear, your point goes one step
23 farther. And you're saying that not only do they have a
24 feedback system that is programmed to be sensitive to pressure
25 changes, which are a derivative, if you will, of orifice sizes,

1 but you're saying that as an initial matter, their computer is
2 programmed within the meaning of your claim, is programmed with
3 information concerning orifice size, is that right?

4 MR. FERENCE: Yes.

5 THE COURT: They say it's not, is that right?

6 MR. FERENCE: Correct.

7 THE COURT: What about your equivalents argument?

8 MR. FERENCE: The range of equivalents is not
9 restricted in this case. If you look at the file history that
10 was attached to the declaration, the claims went through
11 without any amendment. So there's no prosecution history -- to
12 restrict the range of equivalents. And if for some reason
13 there is not a literal infringement, Mr. Hapeman in his
14 declaration said that this device operates in substantially the
15 same ways, performs in substantially the same function.

16 THE COURT: I guess this only becomes relevant -- if
17 it would come to pass that there was a determination that the
18 defendant did not literally infringe, which in my view in this
19 case would essentially mean that the defendant was right, that
20 its program is based exclusively on pressure and quite
21 independent of any programming based on orifice size. Your
22 position would nevertheless be that notwithstanding that
23 difference, the product is still substantially the same and
24 operates in substantially the same way, right?

25 MR. FERENCE: Correct.

1 THE COURT: But his position is that your problem is
2 that back in 1995, or at least as early as 1995, a variable
3 pressure system, based upon a feedback system that was
4 sensitive to pressure, was already out in the marketplace; how
5 do you get around this prior art problem?

6 MR. FERENC: Well, I think Mr. Gelfound is really
7 making a collateral attack on the validity of the patent, which
8 he has to in order to find the patent invalid, he has a very
9 high burden of clear and convincing evidence. The patent is
10 presumed valid. As set forth in our papers and in particular
11 in the declaration of Greg Antoun, the Grundfos pump that is
12 out there, that was out there the day they reference, it's an
13 impeller type pump. Even in the declaration of Mike Kenney, it
14 said it's not capable of maintaining the pressure that the
15 present invention does. Typically, these machines operate at
16 about a thousand psi or higher. With the impeller pump, you're
17 lucky if you're going to get 200 psi. It's a totally different
18 type of pump. The patent office -- in using the pump, that
19 Grundfos pump in the present system, it would not work. And
20 that is set forth in the declarations. Indeed, in the file
21 history, in the notice of allowance, there are some comments
22 directed to the reasons for this statement of allowance. And
23 in the brief it says "none of the cited patents used separately
24 or together teach for the design of programmable variable
25 volume pressure coolant supply system comprises at least one

1 fluid pressure transducer, an electric AC pump motor, a
2 variable frequency drive, electrically connected to said pump
3 motor and a computer monitoring the coolant pressure via at
4 least one coolant pressure transducer." So we don't feel that
5 this Grundfos piece of art presents a problem with respect to
6 the doctrine of equivalents.

7 THE COURT: All right, anything else you want to
8 tell me?

9 MR. FERENC: If I may have a moment to review my
10 notes, your Honor?

11 THE COURT: Sure. While you're reviewing, let me
12 ask you. Do I gather that -- do you find anything ambiguous
13 about the face of your claim? Is there any ambiguity such that
14 it would be necessary for me to on -- I didn't see it teed up
15 this way in the papers, an extrinsic evidence hunt, to clarify
16 ambiguous terms or to determine what a special meaning might be
17 to a term? I kind of read this as kind of -- the language of
18 your claim appears to me to be clear and unambiguous, am I
19 wrong on that or did you do a bad job drafting it?

20 MR. FERENC: I think the claim speaks for itself.
21 It talks about data related to the flow area of the orifice
22 means. I think the claim is reasonably clear.

23 THE COURT: So, do I take it, then, would you -- is
24 it your opinion that the real battle ground here is not in the
25 first instance on claim construction, but on the second issue

1 of whether there's actual infringement?

2 MR. FERENCE: Yes, as it was teed up in the papers,
3 even adopting the claim construction propounded by Mr.
4 Gelfound, there is infringement as a factual matter.

5 THE COURT: I'm going to take about a five-minute
6 break, then I'll come back and see if you have anything else
7 you want to say. Then on the basis of that further
8 enlightenment, I'm going to make a determination as to whether
9 I'm going to give you a ruling from the bench today or whether
10 you are going to subsequently get an opinion down the road.

11 (Recess from 11:15 a.m.; until 11:22 a.m.)

12 THE COURT: Yes, sir.

13 MR. FERENCE: Your Honor, may I clarify something?

14 THE COURT: You sure can.

15 MR. FERENCE: I want to make it clear to the court
16 that the initial program is based on the orifice size, not on
17 the pressure. What you're doing is programming --

18 THE COURT: When you say what you're doing, I take
19 it what you're telling me is what you are doing and what they
20 are doing?

21 MR. FERENCE: Correct. You're telling it -- what
22 happens is when you get a small orifice size, the motor speed
23 is going to slow down, it's going to try and maintain the
24 pressure. It's similar to a situation where somebody is
25 driving down the street in a manual transmission car in third

1 gear and they're going slower and slower and slower. The car
2 starts bucking. Eventually, you'll destroy the engine. The
3 CoolJet and ChipBLASTER systems, what you're doing is
4 programming the orifice size at which you're telling the motor
5 to just give up. Shut yourself down so that you're not going
6 to destroy yourself. Similarly, you're doing that with the
7 high end. When you get a large orifice size, the motor is
8 going to speed up to try to maintain pressure and it reaches
9 the point where it's incapable of maintaining that pressure and
10 the motor will burn up. So you are programming, initially,
11 into the machines a high range, the higher orifice size and
12 small orifice size at which the machine will work. And CoolJet
13 puts out on a chart showing what the ranges are. So those
14 ranges of the orifice size and flow area of the orifice are
15 independent of pressure. You're not programming pressure in at
16 that point. And we keep talking about the pressure, the
17 pressure is really an indicia of the orifice size. When you
18 place your hand over a flame, you're not actually, you may not
19 actually be touching the flame. But you're feeling the heat
20 that is generated by the flame. So when you measure
21 temperature or feel the heat, you're getting an indicia of the
22 flame, just like in these systems when you are measuring,
23 you're sensing pressure, you're getting an indicia of the
24 orifice size.

25 THE COURT: All right. I appreciate the

1 clarification. Mr. Gelfound.

2 MR. GELFOUND: Your Honor, I will be brief with my
3 reply and, of course, if your Honor has any questions. I was
4 listening to Mr. Ference speak and he mentioned on several
5 occasions that I thought was a little humorous, how the only
6 evidence that we have is the declaration of Mike Kenney with
7 two paragraphs. But, yet, they've got declarations from all
8 sorts of experts. Because they have such quantity that that
9 has to raise an issue of fact. It's not the quantity but the
10 quality. And Mr. Kenney has submitted evidence that the motor
11 speed is determined by pressure alone and not by the flow area
12 of the orifice. The declaration, I want to touch on for a
13 moment, I believe that does not raise an issue of fact. I
14 believe that they don't substantiate that the CoolJet system is
15 in fact programmed with data related to range of the orifice
16 size, but --

17 THE COURT: In fairness and to be accurate, they
18 don't have to substantiate it, they simply have to raise a
19 triable issue of fact.

20 MR. GELFOUND: I agree with you, your Honor, I
21 misspoke. But, I think the most important thing, the thing I
22 would like you to consider is even if everything they say is
23 true, which we believe is not, but let's make that assumption,
24 there is still no issue of fact. If you read those
25 declarations, they say that they program a range of orifice

1 size that can be supported by the system. Again, I'm going to
2 use my example. Say one to four millimeters. But from that
3 you can't tell what orifice size is actually being used. And
4 let me just touch on the language, I just want to read the
5 actual limitation. "The computer determines the speed of said
6 pump based on coolant pressure and the flow area of the
7 orifice." Not the range -- but the flow area of the orifice.
8 If you program one to four millimeters because that is the
9 range and that tool changes during an operation from one, two,
10 three and four, the computer doesn't know that. But the claim
11 requires that to use that information to compute the speed of
12 the pump, I'm sorry, to compute the speed of the motor. For
13 that reason alone, even assuming that everything the experts
14 say are true, there is no issue of fact, that claim limitation
15 is not met based on the record before the court. Let me just
16 talk just briefly about doctrine of equivalents. It is not an
17 attack on the validity. It's a fundamental principle that you
18 cannot expand the scope of your claim under the doctrine of
19 equivalents -- covered that which was in the prior art.
20 Grundfos wasn't a prior art. Mr. Ference makes the argument
21 that the impeller pump is different, it can't work in high
22 pressure systems, so what.

23 THE COURT: The doctrine of equivalents is an
24 equitable doctrine, correct?

25 MR. GELFOUND: That is correct.

1 THE COURT: Which is essentially designed to ensnare
2 the unscrupulous who are smart enough to avoid literal
3 infringement but essentially have still knocked the thing off?

4 MR. GELFOUND: That's correct. In applying the
5 doctrine of equivalents, you cannot apply things so broadly as
6 to read it as prior art, to ensnare that which was in the
7 public domain. And the Grundfos system was. Their attempt to
8 distinguish the two pumps, the impeller pump, which is a pump
9 that CoolJet uses, that is irrelevant as a matter of law. The
10 claims only recite a pump. The fact that the impeller pump may
11 or may not work in a high pressure system, again, the claims do
12 not require that it be a high pressure system. Clearly, the
13 claim is limited under the doctrine of equivalents, such that
14 it cannot encompass the CoolJet system. Thank you very much,
15 your Honor.

16 THE COURT: Thank you. Let's go off the record for
17 a second.

18 (Discussion held off the record.)

19 THE COURT: All right, I'm going to give you an
20 order.

21 ORDER

22 Presenting pending before the court is a motion for
23 partial summary judgment filed on behalf of the defendant.
24 Wherein, the defendant seeks a ruling that its high pressure
25 coolant delivery system does not literally infringe on the

1 Antoun patent, which I'll refer to hereinafter as the
2 plaintiffs' patent. And, further, that the defendant is not
3 liable under the doctrine of equivalents.

4 Summary judgment, of course, is appropriate only if
5 the pleadings, depositions, answers to interrogatories,
6 admissions on file, together with any affidavits which may have
7 been filed, show that there is no genuine issue as to any
8 material fact and that the moving party is entitled to summary
9 judgment as a matter of law. See Federal Rule of Civil
10 Procedure 56(c).

11 Now, a literal infringement analysis essentially
12 requires two steps. The first being that the asserted claims
13 must be interpreted by the court as a matter of law to
14 determine their meaning and scope. See Markman v. Westview
15 Instruments, Inc., 52 F.3d 967 (Fed.Cir. 1995). At the second
16 step, it is incumbent on the trier of fact to determine whether
17 the claims as they have been construed, read or infringe on the
18 accused product. In order to establish literal infringement,
19 every limitation that is set forth in a claim must be found in
20 an accused product, exactly. See Becton Dickinson and Company
21 v. C.R. Bard, Inc., 922 F.2d 792 (Fed.Cir. 1990), as a general
22 proposition infringement, whether under a literal analysis or
23 under the doctrine of equivalents, is an issue of fact.
24 Southwall Technologies, Inc. v. Cardinal IG Company, 54 F.3d
25 1570 (Fed.Cir. 1995).

1 The court in Vitronics Corp. v. Conceptronic, Inc.,
2 90 F.3d 1576, (Fed. Cir. 1996), had an occasion to sketch out
3 in some detail the appropriate analysis in construing a claim.
4 The court observed:

5 First, we look to the words of the claims themselves
6 both asserted and non-asserted to define the scope of the
7 patented invention. Although, words in a claim are generally
8 given their ordinary and customary meaning, patentee may choose
9 to be his or her own lexicographer and use terms in a manner
10 other than their ordinary meaning, as long as the special
11 definition of the term is clearly stated in the patent
12 specification or file history. Id. The court in Vitronics
13 then continued:

14 That it secondly is always necessary to review the
15 specifications to determine whether the inventor has used any
16 terms in a manner inconsistent with their ordinary meaning.
17 And, third, the court may also consider the prosecution history
18 of the patent.

19 Finally, the court had the occasion to address the
20 significance of an ambiguously stated claim in the manner or
21 method in which the court should approach a claim under those
22 circumstances. The Vitronics court observed:

23 In most situations, an analysis of the extrinsic
24 evidence alone will resolve any ambiguity in a disputed patent
25 claim term; in such circumstances, it is improper to rely on

1 extrinsic evidence. In construing the claims, we look to the
2 language of the claims, the specification and the prosecution
3 history. Extrinsic evidence may also be considered if needed
4 to assist in determining the meaning or scope of technical
5 terms in the claims.

6 In large measure, then, it seems to me that the
7 scope of the inquiry insofar as the claim analysis is concerned
8 is dictated in large measure by the clarity or lack thereof of
9 the claim terms. Here, independent claims 1, 7 and 14 each
10 recite a programmable, variable volume and pressure coolant
11 system with a motor-driven pump that provides coolant. The
12 speed of the pump is controlled by a variable frequency drive.
13 The requirements insofar as the computer is concerned that
14 comprise the plaintiffs' claim are set forth as follows:

15 Said computer monitoring the coolant pressure via
16 said at least one fluid pressure transducer, and being
17 programmed with data related to the flow area of the orifice
18 means; and wherein said computer determines a desired speed of
19 said pump motor based on the coolant pressure and the flow area
20 of the orifice means of the tool ...

21 Said computer controlling the variable frequency
22 drive ... at a frequency that results in said pump motor
23 running at a desired speed.

24 The defendant contends that, in its words, that the
25 claim language is "clear and unambiguous." Specifically, as

1 set forth more fully at page nine of the brief, it summarizes
2 the claim language as follows:

3 "It, meaning the claim language, "requires a
4 programmed with data relating to the flow area of the orifice.
5 The computer monitors the coolant pressure, and determines the
6 speed of the pump based on both (1) the coolant pressure and
7 (2) the flow area of the orifice. The computer controls the
8 variable frequency drive to force the pump motor to run at the
9 desired speed." That's page nine of the defendant's brief
10 in support of its motion for summary judgment.

11 Consistent with the previously-described standards,
12 I see nothing ambiguous in the claims as stated, nor the need
13 for consideration of any extrinsic evidence to construe them.
14 Further, I do not see that any special terms or meaning has
15 been attached to any of the words in the claim, nor do I
16 consider the prosecution history here is relevant in any form
17 or fashion.

18 Having tried to peel this apple to its core, it
19 seems to me that the critical issue in this case is whether or
20 not as a matter of fact the defendant's product controls the
21 speed of the pump based on both, emphasis on both, pressure and
22 the flow area of the orifice. Or as otherwise stated, whether
23 or not as a matter of fact in order for the defendant's system
24 to function as it is designed, it is necessary that its
25 computer be programmed with data related to the flow area of

1 the orifice. The defendant, through its experts, contends that
2 its system, in adjusting the rate of flow, relies exclusively
3 on the pressure and that unlike the plaintiffs' system, it does
4 not program data into its computer relative to the flow area of
5 the orifice.

6 As discussed more fully at oral argument and as
7 previously reviewed by the court in preparation for the summary
8 judgment argument, the plaintiff has produced several
9 affidavits, and I should say parenthetically, the defendant has
10 as well for the opposite proposition. But the plaintiff has
11 produced affidavits in support of the proposition that contrary
12 to the defendant's contention, it does in fact program
13 information relative to the orifice size or flow. In part,
14 Mr. Adelman's declaration, Mr. Adelman being an engineering
15 manager with ChipBLASTER, opines, for instance:

16 "The range of orifice sizes in which pressure is
17 maintained must be chosen by CoolJet, or any coolant delivery
18 system manufacturer, based on pump motor's high speed cutoff
19 related to the largest orifice flow area in the range, and low
20 speed cutoff related to the smallest orifice flow area in the
21 range."

22 Paragraph 10. "That data relating to the flow area
23 of the orifice must be programmed into the computer that
24 controls the variable speed drive in order for the coolant
25 delivery unit to function properly, and as desired by its

1 manufacturer."

2 Paragraph 14. "After the initial programming
3 related to the flow area of the orifice, as the flow area of
4 the orifice changes with the change of the tool being used to
5 cut or drill metal, the CoolJet system receives a signal from
6 the transducer that is directly related to the flow area of the
7 orifice, and varies the drive frequency, to cause the motor to
8 spin faster or slower, and the pump to increase or decrease
9 output, as described in the 216 patent."

10 In my view, then, as I said before, the critical
11 issue insofar as the question of literal infringement is
12 concerned is the issue as to whether the defendant in fact
13 programs information relative to the orifice.

14 For the reasons previously set forth on the record,
15 it is my view, consistent with the summary judgment standard I
16 have previously indicated, that summary judgment is
17 inappropriate because there remains, based in part on the
18 declarations I previously described, a material issue of fact
19 on that point such that its resolution by a fact finder, rather
20 than by the court, would be appropriate. Let's go off the
21 record.

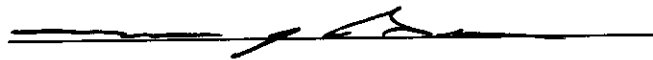
22 (Discussion held off the record.)

23 (Whereupon, at 11:50 a.m., the proceedings were
24 concluded.)

25 - - -

C E R T I F I C A T E

I, Ronald J. Bench, certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

A handwritten signature in black ink, appearing to read 'Ronald J. Bench', is written over a horizontal line.

Ronald J. Bench